

February 12, 2024

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
300 SW 10th Avenue, Room 112-N
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2751 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2751 is respectfully submitted to your committee.

HB 2751 would authorize the Kansas Department for Aging and Disability Services (KDADS) to condition or restrict a disability service provider license, permitting the agency authority to grant regulation waivers unrelated to health and safety and authorizing correction orders and civil fines to be appealed to the agency.

A licensing agency is required to report compliance failures under KSA 39-2013. Currently, the licensing agency only reports substantial failures. In HB 2751, the licensing agency could make an order denying, conditioning, restricting, suspending, or revoking the license after issuing a notice of deficiency. KDADS would be required to tell the licensee that they have an opportunity for a hearing under the Kansas Administrative Procedure Act.

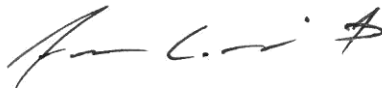
If a licensee is issued a correction order by the State Fire Marshal and fails to correct it, the licensee would be assessed fines until the deficiency is corrected. A notice advising the licensee of the fines would also advise the licensee that it has 10 days to appeal the fine by filing a written notice of appeal with the Office of Administrative Hearings (OAH). The appeal would not stay the payment of civil penalties. If the OAH finds in favor of the licensee, and KDADS affirms the initial order, then any civil penalties would be returned. Either party could appeal the final order under the Kansas Judicial Review Act. All civil penalties collected under this Act would be deposited with the State Treasurer in accordance with KSA 75-4215. The State Treasurer would then deposit the entire amount in the State General Fund.

According to the Office of Judicial Administration, enactment of HB 2751 could increase the number of cases filed in district courts because would allow for either party to appeal the final order under the Kansas Judicial Review Act. This, in turn, would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases.

Nevertheless, until the courts have had an opportunity to operate under the provisions of HB 2751, an accurate estimate of the fiscal effect on expenditures by the Judicial Branch cannot be given. The bill would not have a fiscal effect on revenues to the Judicial Branch. However, enactment of the bill could result in the collection of docket fees and civil penalties in those cases filed under the provisions of the bill, which would be deposited in the State General Fund.

According to the State Fire Marshall, KDADS and OAH, enactment of HB 2751 would have no fiscal effect on the respective agencies. Any fiscal effect associated with HB 2751 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Leigh Keck, Department for Aging & Disability Services
Jamie Schumacher, Office of the State Fire Marshal
Trisha Morrow, Judiciary
Matt Spurgin, Office of Administrative Hearings